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Economic Progress in 1984

An Industry-by-Industry Review

Overall, 1984 was a year of improving economic conditions in Pennsylvania, but the progress recorded was not evenly felt. Many sectors continued to perform poorly while others operated at record levels. This year promises more gains, as well as further hardships.

For a better understanding of the mixed performance, an industry-by-industry look at the economy is presented.

Manufacturing

The 1.9 percent increase in the average factory employment level in 1984 from the 1983 level and the 10.3 percent increase in average weekly payrolls mask the contraction in the state's manufacturing industries that took place last year. Total factory employment declined 1.3 percent from December 1983 to December 1984 and inflation-adjusted payrolls fell 1.7 percent.

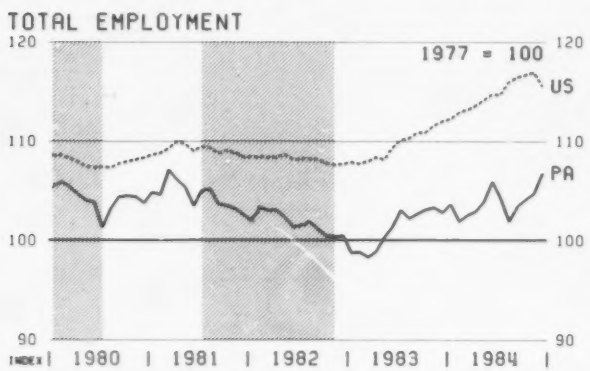
In contrast to the steep declines during the recession, last year's losses were small. But it may be several more months before employment bottoms out; both durable and nondurable goods industries are facing stiff competition at home and abroad.

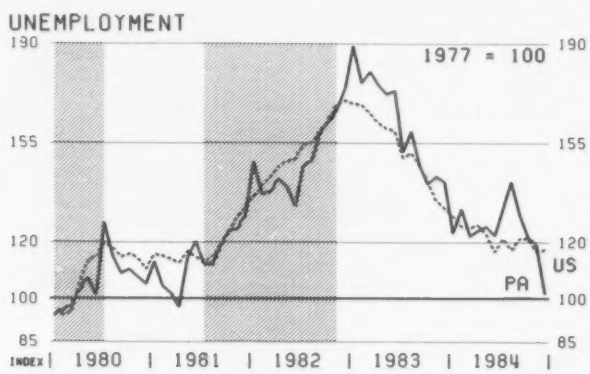
Durable goods. The steep employment decline in the state's durable goods factories, which began in 1979, was held in check last year. But at the same time, no net employment gains were registered after the first of the year. Employment losses in basic steel industries were offset by increases in high-tech and transportation equipment factories.

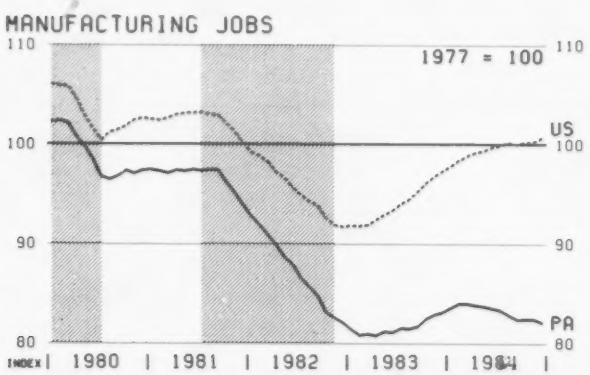
Blast furnace and other basic steel mills lost 13,500 workers from December to December while nonelectrical machinery factories gained 3,200 workers, producers of electronic components and accessories increased their workforce by 4,800 workers and transportation equipment makers hired 2,500 new employees.

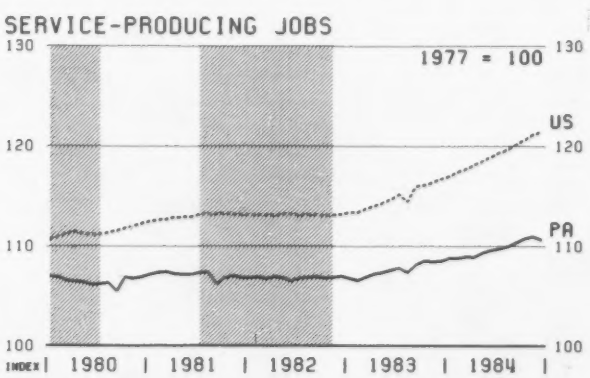
The average daily production of steel in the state rose through the first quarter of 1984, reaching 52,200 net tons in March. This was up from the recession low of 18,900 net tons in December 1982. But production declined in the latter three quarters of 1984; only 24,400 net tons per day were produced in December.

The state averaged 15.7 percent of total U.S. production in 1984 — about the same level as in 1983,









PENNSYLVANIA BUSINESS SURVEY

College of Business Administration The Pennsylvania State University **February 1985**

but significantly below the more than 20 percent share prior to the 1980s. Furthermore, Pennsylvania's share of the national total slipped even further in the latter half of the year, falling to a low of 11.7 percent in November before rising to 12.6 percent at year's end.

In 1984, foreign steel accounted for a record 26 percent share of the domestic market. The Administration has made a series of agreements with major steel-exporting nations to hold imports to about 21 percent of the U.S. market this year. But this is still substantially more than the 18.5 percent market share that foreign producers captured in the preceding five years — a time when the U.S. industry declined precipitously.

To check the decline, the industry needs a substantial increase in U.S. steel consumption, but that is clearly not in the cards for 1985. Conditions are expected to improve only modestly for the U.S. steel industry and may not improve at all in the state. More raw steelmaking capacity will close down as the industry continues to restructure, and in remaining mills, we will see more cost-cutting efforts, including further employment reductions.

Other durable goods producers finally began to recover in 1984. But the upward momentum in these industries will surely slacken in 1985 as companies grapple with intense competition from low-priced imports and persistent overcapacity among U.S. manufacturers.

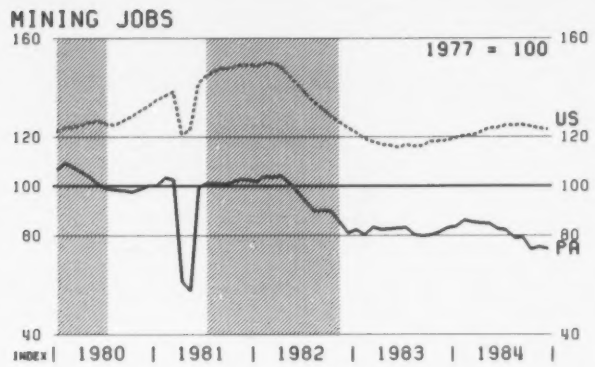
In addition, the possible overhaul of the U.S. tax code this year looms large over the fortunes of these industries. Any changes that reduce incentives for business investment will seriously slow sales. Although a short-run spurt may occur if the reforms look likely and buyers rush to beat any curtailment of accelerated depreciation allowances.

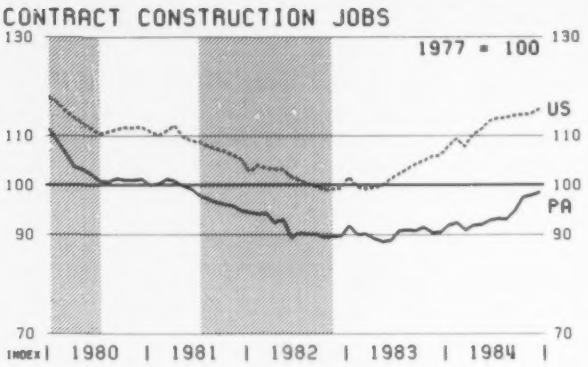
Nondurable goods. While Pennsylvania's durable goods industries have recovered some job losses, the state's nondurable goods sector has experienced no improvement from recession lows. The average job level in 1984 was unchanged from 1983.

Economic Activity in Pennsylvania	1984 Nov.	1984 Dec.	1983 Dec.	Seasonally Adjusted Indexes (1977 = 100) 1984 Nov.	1984 Dec.	1983 Dec.
Pennsylvania Industries						
All nonagricultural industries						
No. of wage and salaried jobs (thous.)[1]	4,690.*	4,669.	4,605.	101.6*	101.4	100.1
Nonmanufacturing						
No. of wage and salaried jobs (thous.)	3,571.*	3,557.	3,487.	109.6*	109.4	107.2
Manufacturing						
No. of wage and salaried jobs (thous.)	1,109.*	1,101.	1,115.	82.4*	82.0	83.1
Ave. wkly. hrs. worked by prod. workers	40.7*	40.4	40.2	102.2*	101.6	100.9
Total wkly. person-hours worked (mils.)	30.9*	30.4	30.8	79.5	78.7	79.9
Total wkly. payroll (mil. dols.)	292.8*	290.5	284.2	128.3*	127.5	124.6
Steel production (thous. tons)	790.*	755.	1,166.	41.	41.	62.
Industrial electric power sales (mil. kwh)	3,462.	3,385.	3,476.	96.	95.	98.
Mining						
Anthracite coal (thous. net tons)	376.	293.	359.	65.	61.	73.
Bituminous coal (thous. net tons)	3,819.	4,278.	5,308.	51.	62.	76.
Construction contracts awarded (mil. dols.)						
Total	829.1	393.3	456.4*	236.	146.	167.*
Residential building	238.4	125.9	169.5*	162.	128.	165.*
Other building	461.2	153.1	164.4*	333.	162.	171.*
Nonbuilding (utilities and public works)	129.5	114.3	122.5*	236.	157.	166.*
Employment of Pennsylvania Residents						
Employed, no. of persons (thous.)	5,136.	5,139.	4,947.	104.7	106.7	102.8
Unemployed						
No. of persons (thous.)	455.	405.	562.	119.1	101.8	141.3
Rate (percentage of labor force)	8.1	7.3	10.2			
Rate, seasonally adjusted	8.7	7.4	10.4			
Civilian labor force, no. of persons (thous.)	5,591.	5,544.	5,509.	105.8	106.3	105.7
Initial claims for unemployment benefits	134,744.	172,723.	181,414.	92.9	89.1	93.3

Consumer Prices, all items	Urban Indexes (1967 = 100) 1984 Nov.	1984 Dec.	1983 Dec.	Percentage Change Month Ago	Year Ago
U.S. city average	315.3	315.5	303.5	+0.1	+4.0
Philadelphia	306.0	305.1	291.8	−0.3	+4.6
Pittsburgh	n.a.	322.1	314.3	n.a.	+2.5
Northeast PA	301.1	n.a.	288.5†	n.a.	+4.4

NOTES: Data on employment have been revised to first quarter 1983 benchmarks.
[1] Total includes workers on strike. * = figure revised † = figure for November 1983 n.a. = data not available
SOURCES AND DEFINITIONS OF DATA ARE AVAILABLE ON REQUEST.





Furthermore, if we compare employment levels in December to those of one year earlier, we see a deterioration over the year. Last December's job total in the state's nondurable goods factories was 2.6 percent lower than the total twelve months earlier.

Nationally, nondurable goods factories averaged 3 percent more employees in 1984 than a year earlier. But the December 1984 job total was only 1.1 percent higher than the level in December 1983, showing that much of the gains made during the year had dissipated by year's end.

The big losers were producers of apparel and other textile products. Rising imports, coupled with lower-than-expected consumer spending and swollen inventories, contributed to the poor performance.

Last December 9,400 fewer Pennsylvanians were employed in apparel industries than a year earlier, and there were 2,300 fewer workers in textile mills and 2,000 fewer employees in leather and leather products factories.

In the face of aggressive competition, the state's food products manufacturers also trimmed their workforce over the year to the tune of 900 workers. The only industry in the nondurable group to mark an appreciable employment increase was printing and publishing, which gained 2,700 workers from December to December.

Because of the supercompetitive nature of the industries in this sector, their futures rest on their marketing abilities. Unsuccessful marketers may be in for further cutbacks before this year ends.

Mining

The expansive growth in the U.S. economy and the preparations of coal consumers for a possible work stoppage by the United Mine Workers of America spurred coal production in the first half of 1984. In the same vein, the slowdown in economic growth in the third quarter and the large stockpiles coal consumers built up were responsible for the decline in production in the latter half of the year.

Nevertheless, total U.S. production of bituminous coal increased an estimated 16.1 percent in 1984. In Pennsylvania, production of bituminous coal rose a smaller 8.1 percent while the amount of anthracite coal mined fell 1.8 percent to the lowest level on record.

The Appalachian region, which includes Pennsylvania, has supplied most of the metallurgical coal to the coke industry and much of the coal for the export market. With the steel industry still in the doldrums and the strong dollar keeping exports low, little improvement is expected in these markets this year.

In addition, the overcapacity in electrical power production, low oil prices and the uncertain outlook for capital spending will retard the coal conversion plans of power companies this year. Thus, only a small increase of around 1 percent in coal production both nationwide and in the state is expected by the Department of Commerce's Energy Information Administration.

Despite the increased production in 1984, no employment gains in Pennsylvania's mining sector were recorded. In fact, December's figures show almost 5,000 fewer bituminous coal miners employed in the state compared to one year earlier. The 4.4 percent increase in the national monthly average employment level for this industry group last year was concentrated in oil and gas extraction firms.

Construction

The industry group with the largest percentage gain in employment measured from both monthly averages for the year and December-to-December figures is contract construction. However, the progress in this sector must be viewed along with its large recession losses. In December, contract construction employment remained more than 11 percent below the average level prevailing in 1979, the year before the two most recent recessions.

Looking at the December figures, we see an over-the-year gain in construction jobs of almost 9 percent for both the U.S. and Pennsylvania. But the U.S. experienced its largest gains in the first half of the year, and the state had its largest gains in the second half. Thus, the U.S. average was 9.5 percent higher in 1984 than a year earlier while the state's average was only 4.2 percent higher.

High mortgage rates curbed the fast growth rates in housing starts seen in late 1983 and early 1984, but overall, 1984 was a good year for this sector. The value of residential building contracts awarded in Pennsylvania last year was 15.3 percent higher than the value for 1983. After adjustment for inflation, the rate was 11.3 percent. This compares to a small 4 percent real rate of growth nationally.

Because of lower mortgage rates, housing starts should pick up slightly in the first half of 1985, leveling off at about mid-year, when rates are expected to start edging up again. Earlier overbuilding and uncertainty over the Treasury Department's tax-revision plan, which would reduce many of the tax benefits of real estate investments, have dampened optimism among builders.

After a blockbuster 1984, nonresidential building contract awards are expected to slow significantly. The stock of plant and equipment has been growing faster than output and is expected to continue to do so through most of 1985 but at a much reduced rate.

The value of nonresidential construction contracts awarded in Pennsylvania in 1984 was ahead of the year earlier figure by a whopping 56.5 percent. Nationally, 1984 commercial and industrial building awards were a smaller 17.6 percent ahead of the 1983 value. After adjustment for inflation, the rates for the state and the U.S. were 51.2 percent and 13.5 percent, respectively.

The most striking difference in the pace of awards between the state and the nation last year was in the value of nonbuilding — utilities and public works — awards, which grew 43.6 percent in Pennsylvania and declined 5 percent in the nation. The inflation-adjusted rates were somewhat lower.

Transportation, Communications and Public Utilities

National and statewide growth in this sector was concentrated in transportation. Last year brought profits to many recently deregulated transportation industries. Some, though not all, airlines were profitable for the

Annual Review of Major Economic Indicators — Pennsylvania and the United States

	Pennsylvania			United States		
	Monthly Average		Percentage	Monthly Average		Percentage
	1983	1984	Change	1983	1984	Change
No. of wage and salary jobs *(thous.)*						
All nonfarm industries	4,527	4,618	2.0	90,138	94,166	4.5
Goods-producing industries	1,300	1,328	2.2	23,394	24,903	6.5
Mining	39	39	0.0	957	999	4.4
Construction	166	173	4.2	3,940	4,315	9.5
Manufacturing	1,095	1,116	1.9	18,497	19,589	5.9
Durable goods	622	644	3.5	10,774	11,635	8.0
Primary metals	123	125	1.6	838	874	4.3
Nondurable goods	472	472	0.0	7,724	7,954	3.0
Service-producing industries	3,221	3,283	1.9	66,744	69,264	3.8
Transportation and public utilities	240	247	2.9	4,958	5,169	4.3
Wholesale trade	240	245	2.1	5,259	5,527	5.1
Retail trade	754	771	2.3	15,545	16,263	4.6
Finance, insurance, and real estate	242	251	3.7	5,467	5,665	3.6
Services and miscellaneous	1,071	1,097	2.4	19,665	20,666	5.1
Federal government	133	135	1.5	2,752	2,781	1.1
State and local government	541	539	– 0.4	13,099	13,192	0.7
Ave. wkly. hours worked by production workers						
All manufacturing industries	39.2	40.2	2.6	40.1	40.7	1.5
Durable goods	40.3	41.5	3.0	40.7	41.4	1.7
Primary metals	39.6	40.8	3.0	40.5	41.7	3.0
Nondurable goods	37.9	38.5	1.6	39.4	39.6	0.5
Total factory person-hours worked *(mils.)*	29.2	30.9	5.8	505.0	547.3	8.4
Total factory payrolls *(mil. dols.)*	262	289	10.3	4,459	5,020	12.6
Steel production *(thou. tons)*	1,083	1,198	10.6	7,051	7,628	8.2
Industrial electric power sales *(mil. kwh)*	3,382	3,634	7.5	n.a.	n.a.	n.a.
Mining						
Anthracite coal *(thou. net tons)*1	341	335	– 1.8			
Bituminous coal *(thou. net tons)*	5,478	5,923	8.1	59,231	68,782	16.1
Construction contracts awarded						
Total, current dollars *(mils.)*	411.5	556.8	35.3	16,133.6	17,488.4	8.4
Residential building	186.5	215.0	15.3	7,797.3	8,396.9	7.7
Nonresidential building	144.3	225.9	56.5	5,190.3	6,102.2	17.6
Nonbuilding (utilities and public works)	80.7	115.9	43.6	3,146.0	2,989.4	– 5.0
Total, constant 1977 dollars *(mils)*2	261.9	342.2	30.7	10,269.6	10,748.8	4.7
Residential building	118.7	132.1	11.3	4,963.3	5,161.0	4.0
Nonresidential building	91.8	138.8	51.2	3,303.8	3,750.6	13.5
Nonbuilding	51.4	71.2	38.5	2,002.5	1,837.4	– 8.2
Employed, no. of persons *(thous.)*	4,859	4,988	2.7	100,834	105,005	4.1
Unemployed						
No. of persons *(thous.)*	651	499	– 23.3	10,717	8,539	– 20.3
Rate *(percentage of labor force)*	11.8	9.1		9.6	7.5	
Civilian labor force, no. of persons *(thous.)*	5,510	5,487	– 0.4	111,550	113,544	1.8
Initial claims for unemployment benefits *(thous.)*	156	125	– 19.9	1,889	1,616	– 14.5
Consumer Price Index for All Urban Consumers, all items (1967 = 100)						
U.S. city average				298.4	311.1	4.3
Philadelphia	287.1	300.6	4.7			
Pittsburgh	308.4	319.0	3.4			
Northeast PA	283.1	295.9	4.5			

NOTE: All data are preliminary and are subject to revision. n.a. = data not available

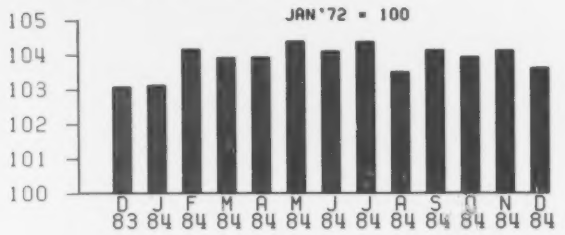
[1]Pennsylvania is the only state mining anthracite coal.

[2]Deflated by an estimated annual average of the U.S. Department of Commerce Monthly Composite Construction Cost Index.

Pennsylvania Composite Indexes

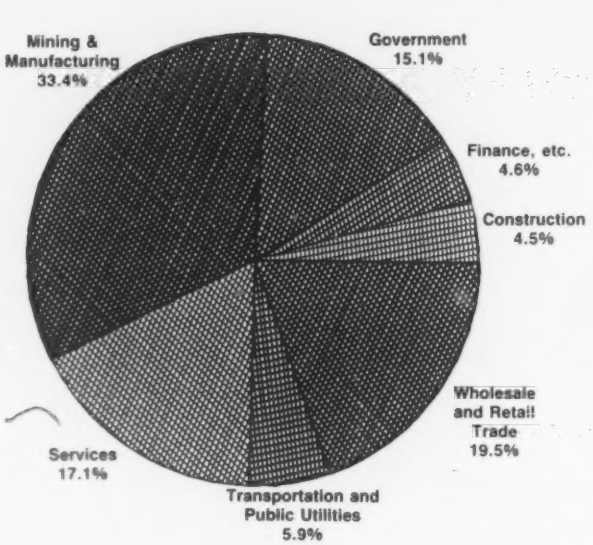
	Index		Percentage Change from Preceding Month	
	Leading	*Coincident*	*Leading*	*Coincident*
December 1983	103.0	88.9	0.3	0.1
January 1984	103.0	89.0	0.0	0.1
February	104.2	89.2	1.2	0.2
March	103.9	89.0	-0.3	-0.2
April	104.0	89.1	0.1	0.1
May	104.4	89.5	0.4	0.4
June	104.1	90.0	-0.3	0.6
July	104.4	89.4	0.3	-0.7
August	103.5	88.4	-0.9	-1.1
September	104.1	88.9	0.6	0.6
October	103.9	88.9	-0.2	0.0
November	104.1	89.1	0.2	0.2
December	103.6	89.5	-0.5	0.4

Pennsylvania Composite Index of Leading Indicators



Nonfarm Industry Jobs, Pennsylvania

Percentage Distribution by Sector



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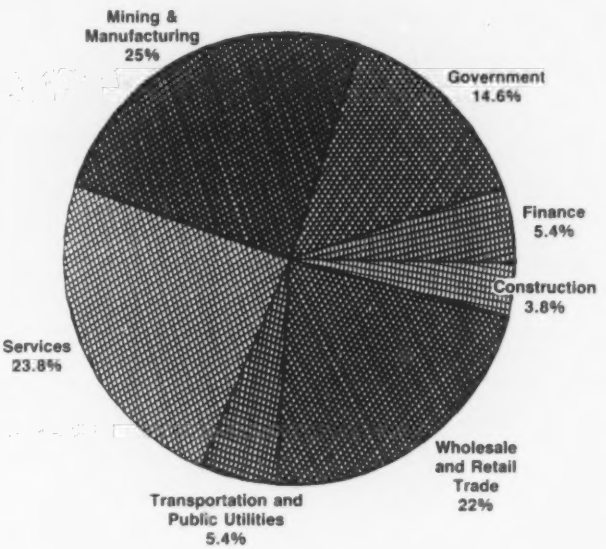
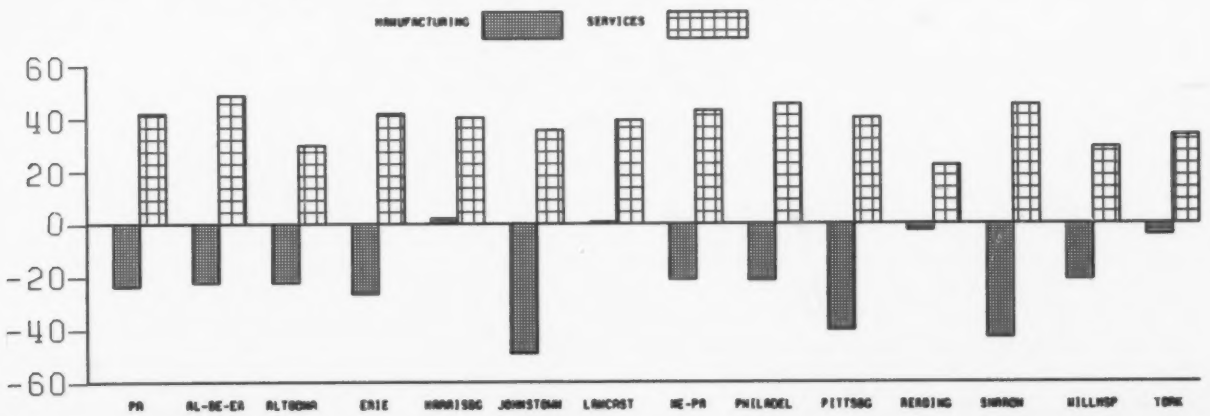


1984

Percentage Changes in Industrial Jobs, 1974-84



first time in many years while prosperity in trucking firms was widespread. With the expected slower pace of the economy in 1985, a shakeout in these industries is likely.

Employment in transportation industries, excluding railroads, rose by 5,700 workers in Pennsylvania from December to December. Pennsylvania's railroads, which are still hurting from the downswing in steel and coal production, lost 500 workers over the year.

The communications industry, which has been undergoing major transformations stemming from deregulation and the divestiture of AT&T, lost 900 jobs statewide. This year will be another one of turmoil for companies on both the equipment and transmission sides of the industry.

In 1984, the resurgent economy brought the level of sales of electricity to Pennsylvania's industries 7.5 percent above the 1983 level. However, most of the gains took place in the early months and had fizzled by the end of the year; sales in December of last year were 2.6 percent below the figure for December 1983. Despite the dip in sales, employment in electrical services nudged up slightly in the latter half of the year.

Demand for electricity is expected to resume its growth in 1984 as the economy fuels up again, but the rate of growth will be moderate. One reason is that cyclical industries, such as metals, which account for a major share of industrial power use, will continue to produce at depressed levels.

Wholesale and Retail Trade

Despite the dramatic third-quarter slowdown in sales, 1984 was a good year overall for retail trade. Retail sales rose 8.7 percent in Pennsylvania from November to November, the latest month for which we have data. This rise is roughly equivalent to the average percentage increase nationwide and is broken down into a 15.4 percent gain in sales of durable goods and a 5.9 percent gain in nondurable goods sales.

Continued income growth, lower interest rates, low inflation and the effects of higher stock market prices will encourage consumers to continue to spend this year, at least in the early months. New record sales and employment are expected.

Retail trade employment in Pennsylvania reached new highs last year. The average employment level in this industry group was 2.3 percent above the year earlier figure. Nationally, average retail trade employment rose 4.6 percent.

December-to-December gains in the state of 8,700 employees in department stores and other general merchandise establishments, 4,700 workers in auto dealerships and service stations and 1,500 workers in eating and drinking establishments were partially offset by declines of 3,000 workers in food stores, 2,100 employees in apparel and accessory stores and 2,400 workers in other retail establishments.

Wholesale trade employment also rose last year. Pennsylvania's gain of 2.1 percent in the average employment level for this industry group compares to a U.S. increase of 5.1 percent. Nationally employment gains were seen among both durable and nondurable goods dealers, but the December-to-December gain of 3,600 employees in Pennsylvania was solely among durable goods wholesalers.

Finance, Insurance and Real Estate

High interest rates and deregulation have served to expand the size and functions of financial institutions. With two large financial centers anchoring both ends of the state, Pennsylvania has a good hold on the national trends in this sector.

Percentage gains in the average employment level last year were roughly equivalent for the state and the nation. However, the gain from December 1983 to December 1984 was 4.4 percent for Pennsylvania compared to a smaller 3.7 percent gain in the U.S.

The state's banking industry gained 2,100 workers over the year while other financial institutions, including credit agencies and security and commodity brokers, gained 3,100 employees. Insurance carriers throughout the state had 4,000 more workers on their payrolls in December than they did one year earlier.

Services

Employment in service industries kept barrelling ahead in 1984, reaching new heights almost monthly. By October, more Pennsylvanians were employed in service industries than in manufacturing industries.

Industries in this group include health care services, private educational services, business services, recreational services, and legal and social services.

The largest number of jobs both in the state and nationwide were added in business services, which include advertising agencies, credit reporting and collection firms, direct mail companies, personnel agencies, building maintenance firms and computer and data processing companies. In Pennsylvania, these establishments together gained 15,400 employees from December 1983 to December 1984. Further growth is expected in 1985.

Health care services employment also grew in 1984, but the gains were concentrated in non-hospital services. Changes in Medicare reimbursement and corporate benefit programs have caused declines in hospital occupancy rates and, as a result, cutbacks in staffing. Pennsylvania's hospitals cut almost 6,000 employees from their payrolls over the year while non-hospital employment grew by more than 9,000 workers.

As the population of Pennsylvania ages, health care demand in the state is expected to grow and therefore lead to higher employment in this sector. Further cutbacks in hospital employment are expected in 1985, but the health care sector overall should gain.

Other service industries with expanded workforces in the state at the end of 1984 are legal services with 2,700 new workers, private education with 2,200 more employees, hotels and other lodging places with 2,000 new hires and social services with a gain of 1,900 workers.

— Norma I. Gavin

Around the State

Southeastern Quarter

Harrisburg

The Harrisburg area economy had a good year in 1984. The area continued to have the second lowest unemployment rate among the state's major metropolitan areas and gained a substantial number of jobs in both manufacturing and nonmanufacturing industries.

In the final quarter of last year, the seasonally adjusted number of area residents counted as unemployed was at its lowest level since the first quarter of 1980, and the seasonally adjusted unemployment rate fell to 4.9 percent, well below the national and state averages.

At the same time, total employment was at a new all-time high. There were over 20,000 more area residents employed at the end of the year than in 1979, the year before the two most recent recessions.

The majority of the job gains were in nonmanufacturing industries, which employed 2.4 percent more workers in the fourth quarter of 1984 than in the same quarter a year earlier.

The area's manufacturing industries also had a relatively good year in 1984. Despite a small setback in the fourth quarter, the average factory job level was 5.5 percent above the level prevailing in 1983.

Harrisburg's healthy economy was reflected in a 32 percent increase in the value of construction contracts awarded in 1984 for residential buildings and the value of commercial and industrial building awards that more than doubled last year.

A near 20 percent decline in the seasonally adjusted sales of electrical power to area industries in the fourth quarter is due to a new computer system for monitoring electrical usage, which was installed at the Bethlehem Steel Corporation plant.

Lancaster

The Lancaster area economy was thriving last year. Employment was at record levels, and the unemployment rate remained the lowest among the state's major metropolitan areas.

The average level of total resident employment in Lancaster during 1984 was 3.8 percent higher than it was one year earlier. In the fourth quarter of the year, 3,900 more area residents were employed than in the same quarter of 1983.

Despite a 1.1 percent increase in the seasonally adjusted labor force from the third to the fourth quarter of last year, the unemployment rate dropped to 4.6 percent, ending 1984 at its lowest rate in almost five years.

The job level in the area's manufacturing sector was relatively stable throughout 1984, averaging 3.4 percent higher than in 1983 but registering a gain of less than 1 percent from the fourth quarter of 1983 to the fourth quarter of 1984.

Nonmanufacturing industries in the area averaged 2.7 percent more jobs in 1984 than a year earlier. The fourth-quarter-to-fourth-quarter increase was a lower 1.2 percent because of a dip in employment in the middle of the year.

The seasonally adjusted index of industrial electric power sales, a measure of short-run changes in industrial activity, rose to a new quarterly high at the end of the year.

The value of construction contracts awarded in 1984 also showed substantial gains from 1983. Particularly strong were nonresidential building awards, which reflect investment decisions in new commercial buildings and industrial plants. The value of these awards was more than three times the value of similar contracts awarded in 1983.

The value of residential building contracts awarded in 1984 was 25 percent higher than the year earlier figure.

Harrisburg Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents	237.9	117.	115.	114.
Unemployed, no. of residents	11.5	101.	116.	120.
Rate, seasonally adjusted	4.9			
Civilian labor force, no. of residents	249.4	115.	115.	114.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	231.8	111.	111.	109.
Nonmfg. only, no. of jobs	190.0	113.	112.	110.
Mfg. only, no. of jobs	41.9	105.	106.	104
Hrs. worked by production workers in mfg., *ave. weekly*	40.2	102.	101.	102.
Industrial electric power sales	***	80.	94.	95.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	26.2	– 17.	+ 22.
Nonresidential contracts only	46.1	– 58.	+ 1.

[1]Cumberland, Dauphin, and Perry Counties

Lancaster Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents	186.3	116.	114.	114.
Unemployed, no. of residents	8.3	104.	129.	126.
Rate, seasonally adjusted	4.6			
Civilian labor force, no. of residents	194.6	116.	115.	115.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	159.0	111.	111.	110.
Nonmfg. only, no. of jobs	101.7	118.	117.	117.
Mfg. only, no. of jobs	57.0	100.	101.	99.
Hrs. worked by production workers in mfg., *ave. weekly*	40.2	100.	100.	101.
Industrial electric power sales	***	121.	120.	116.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	36.5	– 11.	+ 7.
Nonresidential contracts only	41.6	+ 357.	+ 845.

[1]Lancaster County

Philadelphia

Expansion marked the Philadelphia area economy in 1984. The year ended with a record number of residents employed and the number of residents counted as unemployed at a 10-year low.

The average employment level in the area last year was 3.4 percent higher than in 1983 and 6.1 percent higher than it was in 1979, the year before the two most recent downturns.

The seasonally adjusted unemployment rate fell to 6.3 percent — Philadelphia's lowest quarterly rate since the third quarter of 1974.

Job gains were concentrated in the nonmanufacturing sector. In the fourth quarter of 1984, the seasonally adjusted job level in these industries registered its twelfth consecutive quarterly rise.

Employment in the area's manufacturing sector remained stalled at a level more than 13 percent below the 1979 average. The factory job level rose less than 1 percent from the fourth quarter of 1983 to the fourth quarter of 1984.

The index of industrial electric power sales was at the same level in the final quarter of 1984 as it was one year earlier. The index rose in the first quarter of last year but slipped in each of the following three quarters.

Philadelphia's construction industry remained healthy in 1984, with the value of residential building awards rising 21 percent from the 1983 level and the value of nonresidential building awards registering a 44 percent gain.

Annual Review of Major Economic Indicators — Metropolitan Areas

	Altoona		Erie		Harrisburg		Johnstown	
	1984*	Percentage Change 1983-1984	1984*	Percentage Change 1983-1984	1984*	Percentage Change 1983-1984	1984*	Percentage Change 1983-1984
Local Industries								
No. of wage and salary jobs *(thous.)*								
All nonfarm industries	46.6	2.4	106.4	2.6	229.4	2.7	75.0	2.3
Manufacturing	11.2	4.7	35.7	4.7	42.2	5.5	12.4	0.8
Durable goods	5.0	4.2	26.4	6.5	20.9	10.0	7.1	2.9
Nondurable goods	6.2	5.1	9.3	1.1	21.3	1.4	5.4	0.0
Nonmanufacturing	35.4	2.0	70.1	0.9	187.2	2.2	62.3	2.1
Ave. wkly. hours worked by production workers								
Manufacturing	39.4	2.3	42.2	3.9	40.4	2.3	37.2	3.0
Durable goods	39.9	3.6	41.9	5.0	41.6	3.2	38.7	2.7
Nondurable goods	38.9	1.0	42.8	0.5	39.5	1.3	35.2	2.9
Industrial electric power sales index								
(1977 = 100)	84	7.7	91	13.8	89	2.3	146	71.8
Construction contracts awarded *(mil. dols.)*								
Residential building	1.7	6	3.5	20	10.0	32	3.6	- 9
Nonresidential building	2.4	348	3.9	35	17.2	125	2.0	85
Employment of Residents								
Employed, no. of persons *(thous.)*	49.3	3.6	111.0	3.6	231.2	3.8	86.7	3.3
Unemployed								
No. of persons *(thous.)*	6.3	-31.5	12.2	-33.3	13.1	-22.5	14.5	-31.9
Rate *(percentage of labor force)*	11.4		9.9		5.4		14.3	
Civilian labor force, no. of persons *(thous.)*	55.6	-2.1	123.3	-1.7	244.4	2.0	101.2	-3.8

	Lancaster		Lehigh Valley		Northeast PA		Philadelphia	
	1984*	Percentage Change 1983-1984	1984*	Percentage Change 1983-1984	1984*	Percentage Change 1983-1984	1984*	Percentage Change 1983-1984
Local Industries								
No. of wage and salary jobs *(thous.)*								
All nonfarm industries	156.7	3.0	254.2	2.3	235.3	1.1	1967.6	2.2
Manufacturing	57.1	3.4	89.4	2.1	63.8	3.9	393.7	1.5
Durable goods	33.2	3.8	44.9	8.5	26.3	5.2	209.2	3.0
Nondurable goods	23.9	3.0	44.5	-3.7	37.5	3.0	184.5	-0.1
Nonmanufacturing	99.6	2.7	164.7	2.4	171.4	0.2	1572.5	2.5
Ave. wkly. hours worked by production workers								
Manufacturing	40.0	1.8	39.4	4.0	37.6	0.8	40.1	2.0
Durable goods	41.3	2.7	42.7	4.7	41.5	0.2	41.2	2.5
Nondurable goods	38.4	0.8	36.3	1.4	35.1	0.6	38.7	0.5
Industrial electric power sales index								
(1977 = 100)	120	10.1	105	2.9	104	6.1	100	3.1
Construction contracts awarded *(mil. dols.)*								
Residential building	12.8	25	16.3	14	11.6	24	90.6	21
Nonresidential building	5.2	237	21.0	126	9.5	104	102.4	44
Employment of Residents								
Employed, no. of persons *(thous.)*	180.8	3.8	282.2	3.3	261.5	2.1	2107.9	3.4
Unemployed								
No. of persons *(thous.)*	9.4	-25.4	27.3	-26.2	32.1	-8.8	152.7	-18.8
Rate *(percentage of labor force)*	4.9		8.8		10.9		6.8	
Civilian labor force, no. of persons *(thous.)*	190.2	1.8	309.5	-0.2	293.6	0.8	2260.6	1.5

NOTE: All data are preliminary and are subject to revision.
*Average of monthly figures.

Reading

1984 brought only good news to the Reading area economy. Employment levels rose to new record highs, as did the seasonally adjusted index of industrial electric power sales — a measure of short-run changes in industrial activity.

The average level of total employment in Reading was 5.1 percent higher in 1984 than in 1983, and the jobless rate dropped 2.6 percentage points to 7.2 percent. In the final quarter of 1984, the seasonally adjusted unemployment rate was an even lower 6.9 percent.

Reading had the largest percentage increase in nonmanufacturing jobs among the state's major metropolitan areas. The area's fourth-quarter job level in these industries was more than 8 percent higher than it was in 1979.

The area's manufacturing industries employed 5.7 percent more workers on average in 1984 than in 1983. But the third-quarter dip in the seasonally adjusted factory job level was not fully recovered by year's end.

No slowing in industrial activity was evident in sales of electricity to industrial users in the Reading area. The seasonally adjusted index for this measure rose to its highest level ever in the fourth quarter of last year.

The area continued to be built up. The value of residential building contracts awarded in 1984 was 34 percent higher than in 1983 while the value of nonresidential building awards rose 82 percent.

	Pittsburgh		Reading		Sharon		State College	
	1984*	Percentage Change 1983-1984	1984*	Percentage Change 1983-1984	1984*	Percentage Change 1983-1984	1984*	Percentage Change 1983-1984
Local Industries								
No. of wage and salary jobs *(thous.)*								
All nonfarm industries	856.7	-0.2	141.7	4.3	39.9	0.5	47.8	3.2
Manufacturing	159.1	-4.7	52.3	5.7	10.9	1.9	7.8	6.8
Durable goods	121.3	-5.2	31.4	11.0	9.7	2.1	5.4	10.2
Nondurable goods	37.8	-3.3	20.9	-1.4	1.2	9.1	2.4	0.0
Nonmanufacturing	696.6	0.9	89.4	3.6	29.0	0.0	40.0	2.6
Ave. wkly. hours worked by production workers								
Manufacturing	41.1	3.8	40.6	1.8				
Durable goods	41.3	4.3	42.0	1.9				
Nondurable goods	40.2	2.0	38.7	1.0				
Industrial electric power sales index								
(1977 = 100)	74	10.4	126	11.5	108	0.9	104	11.8
Construction contracts awarded *(mil. dols.)*								
Residential building	33.7	10	6.6	34	1.6	-11	3.9	20
Nonresidential building	39.0	14	5.5	82	1.6	52	2.8	84
Employment of Residents								
Employed, no. of persons *(thous.)*	890.1	0.8	152.2	5.1	44.5	1.8	48.8	4.3
Unemployed								
No. of persons *(thous.)*	111.8	-24.0	11.8	-25.3	6.3	-34.4	4.3	-23.2
Rate *(percentage of labor force)*	11.2		7.2		12.4		8.0	
Civilian labor force, no. of persons *(thous.)*	1001.8	-2.8	164.0	2.1	50.8	-4.7	53.1	1.5

	Williamsport		York	
	1984*	Percentage Change 1983-1984	1984*	Percentage Change 1983-1984
Local Industries				
No. of wage and salary jobs *(thous.)*				
All nonfarm industries	45.4	4.6	153.4	2.8
Manufacturing	15.2	9.4	58.3	4.1
Durable goods	8.4	6.3	36.1	7.1
Nondurable goods	6.8	13.3	22.2	-0.4
Nonmanufacturing	30.2	2.7	94.7	2.6
Ave. wkly. hours worked by production workers				
Manufacturing	39.5	1.5	41.5	2.0
Durable goods	40.2	1.3	42.2	1.7
Nondurable goods	38.6	1.8	40.3	1.0
Industrial electric power sales index				
(1977 = 100)	105	16.7	102	8.5
Construction contracts awarded *(mil. dols.)*				
Residential building	1.1	15	8.3	26
Nonresidential building	2.1	158	3.8	35
Employment of Residents				
Employed, no. of persons *(thous.)*	47.2	5.4	166.7	3.7
Unemployed				
No. of persons *(thous.)*	5.7	-24.0	14.7	-28.3
Rate *(percentage of labor force)*	10.9		8.1	
Civilian labor force, no. of persons *(thous.)*	52.9	1.1	181.4	0.1

NOTE: All data are preliminary and are subject to revision.
*Average of monthly figures.

York

Employment conditions improved substantially in the York area economy in 1984. Spurred by growth in durable goods factories and the nonmanufacturing sector, total employment rose to new record highs.

In the final quarter of 1984, the seasonally adjusted number of employed area residents rose above the pre-recession high and was 3.3 percent above the employment level in the same quarter of 1983.

At the same time, the seasonally adjusted unemployment rate fell to 7.1 percent — a four-year low and one of the lowest among the metropolitan areas in the state.

The job level in York's nonmanufacturing industries was unchanged in the fourth quarter after seasonal adjustment. But the third-quarter level was an all-time high and more than 5 percent above the level prevailing in 1979, the year before the two most recent recessions.

York's durable goods factories also registered employment gains in 1984. The fourth-quarter job level was 3.4 percent higher than the level in the final quarter of 1983.

But the nondurable goods factories continued to reduce their workforce. In the final quarter of the year, the job level in these industries was more than 3 percent below the level in the final quarter of 1983.

The seasonally adjusted index of industrial electric power sales also showed no growth at year end but had averaged 8.5 percent higher in 1984 than in 1983.

Building activity in York continued to advance last year. The value of residential construction contracts awarded in 1984 rose 26 percent from the year earlier figure while the increase in nonresidential building awards was 35 percent.

Northeastern Quarter

Lehigh Valley

Economic trends in the Lehigh Valley area last year were fairly typical for the state. Gains were seen in average employment levels for both manufacturing and nonmanufacturing industries. But while the number of factory jobs had leveled off by the end of the year, other sectors continued to gain.

Total employment rose 3.3 percent in 1984 from 1983 in the Allentown-Bethlehem-Easton metropolitan area, close to the 2.7 percent gain statewide.

Furthermore, the seasonally adjusted unemployment rate in the Lehigh Valley area was down to 8.6 percent in the fourth quarter of last year compared to 8.4 percent in Pennsylvania. Both rates had been 10.4 percent in the fourth quarter of 1983.

The average factory job level in both the state and the metropolitan area last year rose about 2 percent from the year earlier averages but remained only 80 percent of their 1979 levels.

On the other hand, job levels in nonmanufacturing industries, which were more than 2 percent above the

Philadelphia Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents	2,160.0	112.	111.	110.
Unemployed, no. of residents	131.8	78.	94.	96.
Rate, seasonally adjusted	6.3			
Civilian labor force, no. of residents	2,291.8	109.	109.	109.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	1,996.6	108.	108.	106.
Nonmfg. only, no. of jobs	1,600.4	115.	114.	112.
Mfg. only, no. of jobs	395.7	88.	88.	88.
Hrs. worked by production workers in mfg., *ave. weekly*	40.8	102.	101.	100.
Industrial electric power sales	***	99.	99.	99.

		Percentage Change	
Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	*Quarter Ago*	*Year Ago*
Residential contracts only	264.6	– 17.	– 7.
Nonresidential contracts only	413.8	+ 35.	+ 81.

[1] Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties, Pa., and Burlington, Camden, and Gloucester Counties, N.J.

Reading Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents	158.6	115.	112.	112.
Unemployed, no. of residents	10.2	124.	144.	137.
Rate, seasonally adjusted	6.9			
Civilian labor force, no. of residents	168.8	167.	165.	164.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	145.3	109.	107.	106.
Nonmfg. only, no. of jobs	92.1	113.	111.	109.
Mfg. only, no. of jobs	52.9	102.	102.	101.
Hrs. worked by production workers in mfg., *ave. weekly*	40.7	103.	103.	105.
Industrial electric power sales	***	128.	124.	124.

		Percentage Change	
Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	*Quarter Ago*	*Year Ago*
Residential contracts only	22.7	+ 14.	+ 59.
Nonresidential contracts only	12.1	+ 25.	+ 49.

[1] Berks County

York Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents	172.4	114.	112.	111.
Unemployed, no. of residents	11.4	129.	159.	180.
Rate, seasonally adjusted	7.1			
Civilian labor force, no. of residents	183.8	115.	115.	115.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	155.8	108.	109.	106.
Nonmfg. only, no. of jobs	96.5	116.	116.	113.
Mfg. only, no. of jobs	58.5	97.	98.	96.
Hrs. worked by production workers in mfg., *ave. weekly*	41.6	100.	100.	101.
Industrial electric power sales	***	103.	102.	101.

		Percentage Change	
Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	*Quarter Ago*	*Year Ago*
Residential contracts only	22.9	– 15.	+ 34.
Nonresidential contracts only	10.1	– 30.	– 9.

[1] Adams and York Counties

1983 averages in Pennsylvania and the Lehigh Valley area, were substantially above pre-recession highs.

The seasonally adjusted index for industrial electric power sales in the metropolitan area, which had been at the same level in the third quarter of 1984 as it was in the fourth quarter of 1983, rose 2.9 percent in the final quarter of 1984.

The value of residential construction awards rose a moderate 14 percent in the Lehigh Valley area last year, but the value of nonresidential building awards more than doubled from the year earlier figure, showing a substantial investment by area businesses.

Northeast

The Northeast metropolitan area economy ended 1984 on an upbeat. The fourth-quarter improvement in employment conditions followed a mid-year setback.

After falling almost 1 percent in the third quarter of 1984, seasonally adjusted total employment in Northeast, Pennsylvania, rose 3 percent in the final quarter to the highest level recorded for the area.

At the same time, the seasonally adjusted unemployment rate plunged to 9.8 percent of the labor force after climbing to 12.5 percent in the previous quarter.

The nonfarm industry job level, which had been essentially unchanged in the first three quarters of 1984, rose a seasonally adjusted 1.2 percent in the fourth quarter but remained below the level prevailing in 1979.

The drag on employment came from the manufacturing sector. The factory job level was 2.1 percent higher in the fourth quarter of 1984 than it was four quarters earlier, but it remained 13 percent below the 1979 average.

Although the nonmanufacturing job gains over the year were small, employment in these industries ended the year at its highest quarterly level ever and was 1.8 percent above the 1979 average.

The seasonally adjusted index of sales of electricity to area industries ended the year down, falling 1.5 percent in the fourth quarter after falling 0.8 percent in the third quarter. However, it remained above the fourth-quarter level of 1983.

Last year was very good for the building industries in Northeast, Pennsylvania. The value of nonresidential building contracts awarded in 1984 was double the value of a year ago while the value of residential building awards increased a relatively strong 24 percent.

Williamsport

Although full recovery still eluded the Williamsport area economy in 1984, significant strides forward were made.

The area experienced the greatest percentage gain in total employment among the state's major metropolitan areas last year. The increase in the seasonally adjusted number of area residents employed in the final quarter of 1984 was the seventh consecutive quarterly rise and brought it to its highest point since the first quarter of 1980.

The jobless rate in Williamsport dropped to a seasonally adjusted 9.6 percent in the fourth quarter from 11.3 percent in the third quarter and 12.9 percent in the fourth quarter of 1983.

Lehigh Valley Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents	288.1	104.	102.	102.
Unemployed, no. of residents	24.7	125.	147.	147.
Rate, seasonally adjusted	8.6			
Civilian labor force, no. of residents	312.8	106.	105.	105.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	256.5	100.	99.	98.
Nonmfg. only, no. of jobs	167.6	112.	111.	110.
Mfg. only, no. of jobs	88.8	82.	83.	82.
Hrs. worked by production workers in mfg., *ave. weekly*	39.7	103.	103.	100.
Industrial electric power sales				
Metropolitan area	***	108.	105.	105.
Allentown	***	102.	101.	99.
Bethlehem	***	114.	108.	110.
Easton	***	102.	103.	104.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	47.6	– 8.	+ 37.
Nonresidential contracts only	170.3	+483.	+868.

[1]Lehigh, Northampton, and Carbon Counties, Pa., and Warren County, N.J.

Northeast Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents				
Northeast metropolitan area	268.6	108.	104.	105.
Lackawanna County[2] only	95.6	108.	104.	105.
Luzerne County[3] only	143.9	108.	104.	105.
Unemployed, no. of residents				
Northeast metropolitan area	28.4	102.	135.	121.
Rate, seasonally adjusted	9.8			
Lackawanna County[2] only	8.1	84.	108.	104.
Luzerne County[3] only	17.8	114.	152.	130.
Civilian labor force, no. of residents				
Northeast metropolitan area	297.0	107.	108.	107.
Lackawanna County[2] only	103.6	105.	105.	105.
Luzerne County[3] only	161.7	108.	109.	108.
Local industries, Northeast metropolitan area *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	237.5	102.	101.	101.
Nonmfg. only, no. of jobs	173.8	107.	106.	106.
Mfg. only, no. of jobs	63.7	90.	89.	88.
Hrs. worked by production workers in mfg., *ave. weekly*	37.6	104.	103.	104.
Industrial electric power sales				
Northeast metropolitan area	***	103.	104.	101.
Lackawanna County[2] only	***	106.	106.	100.
Luzerne County[3]	***	96.	97.	96.
Hazleton	***	88.	89.	87.
Wilkes-Barre	***	100.	101.	100.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	33.7	– 11.	+22.
Nonresidential contracts only	34.7	– 23.	+29.

[1]Lackawanna, Luzerne, and Monroe Counties
[2]Includes Scranton
[3]Includes Wilkes-Barre and Hazleton

The area's percentage gain in the factory job level was also the largest among the state's major metropolitan areas. But although the number of factory jobs was more than 9 percent higher in the fourth quarter of 1984 than it was in the fourth quarter of 1983, the seasonally adjusted factory job level remained 14.4 percent below the level prevailing in 1979, the year before the two most recent recessions.

The seasonally adjusted job level in nonmanufacturing industries in the Williamsport area exceeded the 1979 average in the third quarter of last year but made no further gains in the final quarter.

The seasonally adjusted index of industrial electric power sales, which reflects short-run changes in industrial output, slipped a little in the fourth quarter but remained only slightly below the all-time high of the third quarter.

Businesses were investing in the area's future last year, with the value of construction contracts for commercial and industrial buildings more than two and a half times the 1983 value.

The value of construction contracts for housing in the Williamsport area rose 15 percent in 1984 — the average rate for the state.

Northwestern Quarter

Erie

1984 marked significant progress toward economic recovery in the Erie area. However, in contrast to other metropolitan areas in the state whose recoveries were led by the nonmanufacturing sector, the greatest employment gains in Erie took place in manufacturing industries.

Approximately 1,700 workers were added to factory payrolls in the Erie area from the fourth quarter of 1983 to the fourth quarter of 1984. During this time, the area's nonmanufacturing industries gained only 300 workers.

But the manufacturing sector remained the farthest away from pre-recession employment levels. At the end of 1984, factory employment was still almost 20 percent below the 1979 average while nonmanufacturing employment was less than 2 percent short of its 1979 average.

Total employment averaged 3.6 percent higher in 1984 than in 1983, and on a seasonally adjusted basis, was at its highest level since the first quarter of 1982.

The seasonally adjusted unemployment rate fell to 9 percent in the fourth quarter of last year from 12.6 percent in the same quarter of 1983.

Sales of electricity to industrial users in the area fell in the fourth quarter of 1984 after surging in the third quarter but remained almost 13 percent above the fourth-quarter level in 1983.

The value of contract construction awards rose from a year earlier, but the increase was not as large as in other metropolitan areas of the state. Residential building awards were 20 percent ahead of the year earlier value

Williamsport Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents	48.8	104.	102.	99.
Unemployed, no. of residents	4.6	110.	132.	150.
Rate, seasonally adjusted	8.7			
Civilian labor force, no. of residents	53.4	105.	105.	104.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	46.1	100.	99.	95.
Nonmfg. only, no. of jobs	30.5	108.	107.	105.
Mfg. only, no. of jobs	15.6	87.	86.	80.
Hrs. worked by production workers in mfg., *ave. weekly*	39.6	100.	102.	99.
Industrial electric power sales	***	109.	110.	91.

		Percentage Change	
Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	*Quarter Ago*	*Year Ago*
Residential contracts only	2.5	– 39.	0.
Nonresidential contracts only	3.4	+209.	+55.

[1]Lycoming County

Erie Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents	113.6	102.	101.	99.
Unemployed, no. of residents	10.6	121.	137.	174.
Rate, seasonally adjusted	9.0			
Civilian labor force, no. of residents	124.2	103.	104.	104.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	107.0	96.	97.	95.
Nonmfg. only, no. of jobs	70.9	104.	106.	104.
Mfg. only, no. of jobs	36.1	84.	82.	80.
Hrs. worked by production workers in mfg., *ave. weekly*	42.6	102.	103.	98.
Industrial electric power sales	***	95.	98.	84.

		Percentage Change	
Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	*Quarter Ago*	*Year Ago*
Residential contracts only	12.9	– 4.	+148.
Nonresidential contracts only	10.1	–47.	– 24.

[1]Erie County

Sharon Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents	45.7	94.	92.	91.
Unemployed, no. of residents	5.3	137.	156.	188.
Rate, seasonally adjusted	11.0			
Civilian labor force, no. of residents	51.0	97.	96.	99.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	40.4	88.	88.	87.
Nonmfg. only, no. of jobs	29.3	101.	100.	100.
Mfg. only, no. of jobs	10.8	66.	68.	65.
Industrial electric power sales	***	106.	106.	110.

		Percentage Change	
Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	*Quarter Ago*	*Year Ago*
Residential contracts only	4.3	–39.	–51.
Nonresidential contracts only	2.1	–57.	+24.

[1]Mercer County

while nonresidential building awards were 35 percent higher.

Sharon

Although some progress was made, the Sharon area economy remained in the doldrums last year.

Total employment averaged 1.8 percent higher in 1984 than a year earlier, and the fourth-quarter level was 2.9 percent higher than it was in the same quarter of 1983.

Furthermore, the seasonally adjusted unemployment rate for the Sharon metropolitan area was 3.8 percentage points lower in the final quarter of 1984 compared to one year earlier.

But employment remained below pre-recession levels, and the jobless rate at 11 percent was still in double digits.

The area's manufacturing sector continued to operate with less then two-thirds of the number of workers employed in 1979, the year before the two most recent recessions. A small 1.9 percent increase in the average factory job level was recorded in 1984.

In addition, Sharon was the only metropolitan area in the state with no employment gains over the year in nonmanufacturing industries.

Much of the recession losses in industrial electric power sales had been regained. But by the end of 1984, sales were slipping again.

Nevertheless, businesses continued to increase spending on commercial and industrial buildings. The value of nonresidential building awards rose 52 percent last year from the year earlier figure.

On the other hand, spending on housing construction in the Sharon metropolitan area declined last year. The value of residential building contracts awarded in 1984 was 11 percent below the value of awards in 1983.

Southwestern Quarter

Altoona

1984 was a good year for Altoona's recession-damaged economy. Total employment rose 3.6 percent from the 1983 average, and the seasonally adjusted jobless rate fell to 9.9 percent in the final quarter, down from 13.2 percent in the final quarter of 1983.

Employment gains were made in both manufacturing and nonmanufacturing industries. The average factory job level in 1984 was 4.7 percent higher than in 1983 while the job level in nonmanufacturing establishments rose 2 percent.

Despite the gains, Altoona's economy continued to operate at reduced levels. At the end of 1984, the total nonfarm industry job level was still almost 10 percent below the level prevailing in 1979.

Most of the gains in industrial electric power sales made during 1984 had dissipated by year's end. In the fourth quarter of last year, the seasonally adjusted index for this measure was only 2 percent higher than the figure for the fourth quarter of 1983.

Business spending on commercial and industrial buildings was brisk last year. The value of nonresidential building contracts awarded in 1984 was almost four and a half times the value in 1983.

On the other hand, residential building awards rose a meager 6 percent in value from a year earlier.

Johnstown

The Johnstown area economy showed little improvement in 1984. Only modest job gains took place in the area's nonmanufacturing industries while the workforce in its factories had slipped back by year's end.

Last year's average employment level in Johnstown's nonmanufacturing sector was 2.1 percent higher than it was in 1983. But the fourth-quarter figure was less than 1 percent above the fourth-quarter figure in the earlier year, showing little net gain in the four quarters of 1984.

Altoona Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents	50.5	97.	95.	93.
Unemployed, no. of residents	5.4	142.	156.	180.
Rate, seasonally adjusted	9.9			
Civilian labor force, no. of residents	55.9	100.	100.	100.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	47.0	92.	92.	89.
Nonmfg. only, no. of jobs	35.7	94.	94.	92.
Mfg. only, no. of jobs	11.3	86.	85.	84.
Hrs. worked by production workers in mfg., *ave. weekly*	39.4	104.	103.	103.
Industrial electric power sales	***	82.	85.	81.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	3.3	– 60.	– 6.
Nonresidential contracts only	22.6	+ 160.	+ + .

[1]Blair County

Johnstown Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents	89.0	91.	88.	89.
Unemployed, no. of residents	13.7	129.	142.	152.
Rate, seasonally adjusted	13.9			
Civilian labor force, no. of residents	102.7	94.	94.	95.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	75.8	86.	86.	85.
Nonmfg. only, no. of jobs	63.0	94.	95.	93.
Mfg. only, no. of jobs	12.3	59.	57.	61.
Hrs. worked by production workers in mfg., *ave. weekly*	36.3	93.	93.	96.
Industrial electric power sales	***	140.	152.	105.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	8.7	– 19.	+ 32.
Nonresidential contracts only	2.5	– 55.	+ 79.

[1]Cambria and Somerset Counties

Similarly, the factory job level averaged slightly higher in 1984 than in 1983, but the fourth-quarter figure showed a drop of 3.1 percent from the same quarter in 1983.

Nevertheless, total resident employment showed a net gain of 1.8 percent over the four quarters of 1984, and the seasonally adjusted unemployment rate in the final quarter of the year had dropped to 13.9 percent from 15.7 percent at the end of 1983.

The decline in unemployment was not enough to change Johnstown's distinction of having the highest jobless rate among the state's metropolitan areas.

Construction activity picked up for commercial and industrial builders but slowed for housing contractors. The value of nonresidential building contracts awarded in 1984 was 85 percent higher than the 1983 value while residential building awards declined 9 percent in value.

Pittsburgh

The Pittsburgh area economy underwent further change in 1984 as its traditional manufacturing base continued to contract and nonmanufacturing industries registered modest gains.

Over the four quarters of 1984, the Pittsburgh economy gained 8,000 nonmanufacturing jobs, an increase of 1.1 percent from the fourth-quarter level in 1983. But these gains were not enough to offset the loss of 14,200 jobs in the area's factories.

The seasonally adjusted unemployment rate remained in double digits but had fallen to 10.2 percent by the fourth quarter of 1984 — its lowest level since the first quarter of 1982.

The average factory employment level in 1984 was 4.7 percent below the 1983 level and nearly 38 percent below the 1979 average. Furthermore, factory employment was still headed down at the end of the year. In the fourth quarter, almost 9 percent fewer workers were employed in Pittsburgh's factories than in the same quarter of 1983.

Pittsburgh Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents	907.6	98.	97.	98.
Unemployed, no. of residents	97.6	157.	186.	200.
Rate, seasonally adjusted	10.2			
Civilian labor force, no. of residents	1,005.2	102.	103.	105.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	857.7	94.	94.	94.
Nonmfg. only, no. of jobs	705.3	106.	106.	104.
Mfg. only, no. of jobs	151.3	61.	63.	66.
Hrs. worked by production workers in mfg., *ave. weekly*	41.4	102.	100.	100.
Industrial electric power sales	***	67.	72.	74.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	93.8	− 9.	+12.
Nonresidential contracts only	129.7	+ 5.	+83.

[1]Allegheny, Beaver, Washington, and Westmoreland Counties

The decline in industrial activity was also reflected in the level of sales of electricity to area industries. The seasonally adjusted index of industrial electric power sales fell 5.9 percent in the fourth quarter after falling 10.6 percent in the third quarter. Sales were back down to the level registered in the second quarter of 1983.

Gains in the building industries were also disappointing last year. The value of residential building contracts awarded in the Pittsburgh area rose a relatively small 10 percent from 1983 and nonresidential building awards rose only 14 percent. This compares to statewide increases of 15 percent and 57 percent for residential and nonresidential awards, respectively.

State College

The State College metropolitan area economy flourished in 1984. Total resident employment rose to its highest level ever, exceeding 50,000 workers in the fourth quarter. At the same time, the number of residents counted as unemployed was down to 7.8 percent of the labor force from 9.2 percent in the fourth quarter of 1983.

Area factories were operating at historically high employment levels last year, with an average job level 6.8 percent higher than the 1983 average. State College was the only major metropolitan area in the state with a larger factory workforce in 1984 than in 1979, the year before the two most recent recessions.

State College also registered the largest percentage gain from pre-recession levels in nonmanufacturing employment among the state's metropolitan areas. In the fourth quarter of last year, the seasonally adjusted nonmanufacturing job level was 15 percent higher than the 1979 average.

Industrial electric power sales in the State College area is a volatile series. Therefore, the fourth-quarter dip in the index from the record highs of the middle two quarters is very likely temporary and does not indicate any decline in industrial activity. The seasonally adjusted index of industrial electric power sales averaged 11.8 percent higher in 1984 than in 1983.

State College Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'84	*4 Q.'84*	*3 Q.'84*	*4 Q.'83*
Employment *(in thousands)*				
Employed, no. of residents	51.4	121.	119.	116.
Unemployed, no. of residents	4.0	157.	173.	184.
Rate, seasonally adjusted	7.8			
Civilian labor force, no. of residents	55.4	124.	122.	120.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	49.5	119.	119.	116.
Nonmfg. only, no. of jobs	41.8	119.	119.	116.
Mfg. only, no. of jobs	7.8	122.	121.	117.
Industrial electric power sales	***	101.	106.	100.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'84	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	7.7	− 37.	+ 15.
Nonresidential contracts only	22.0	+349.	+511.

[1]Centre County

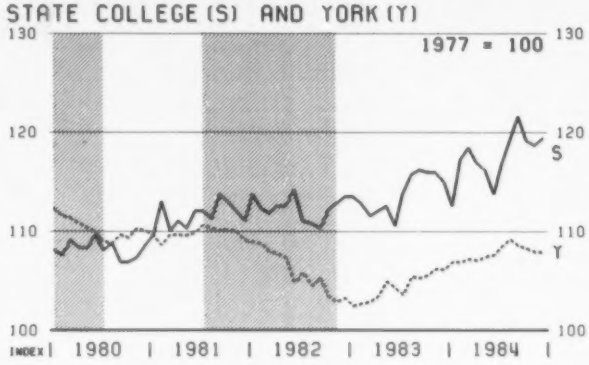
Area Graphs

Total Nonfarm Industry Jobs

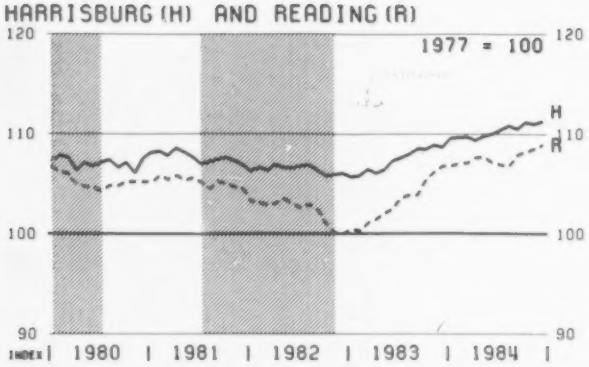
Seasonally Adjusted Indexes

(1977 = 100)

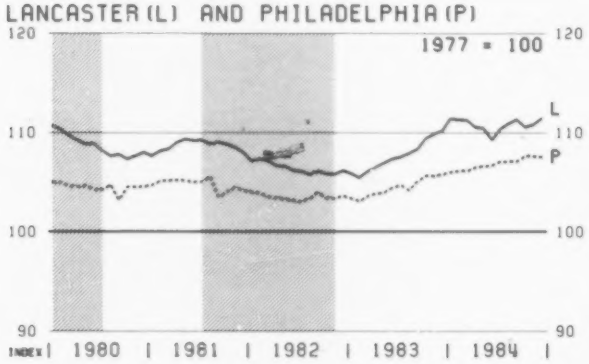
STATE COLLEGE (S) AND YORK (Y)



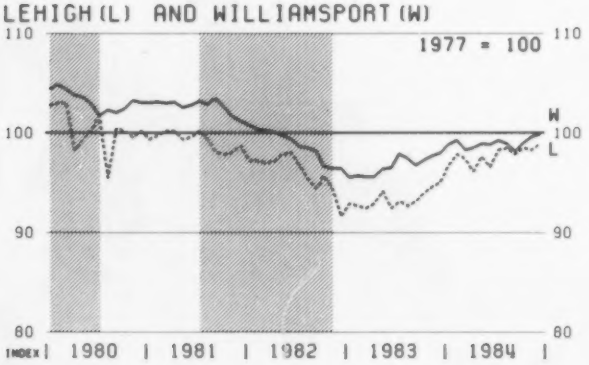
HARRISBURG (H) AND READING (R)



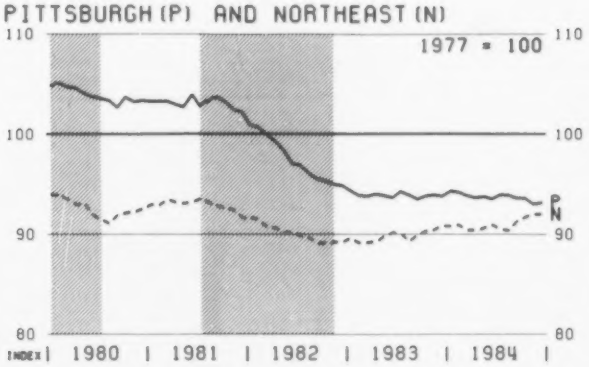
LANCASTER (L) AND PHILADELPHIA (P)



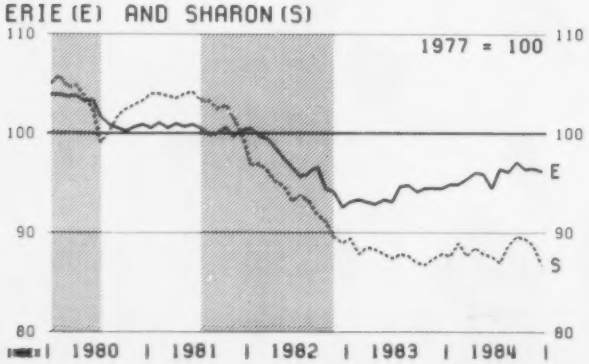
LEHIGH (L) AND WILLIAMSPORT (W)



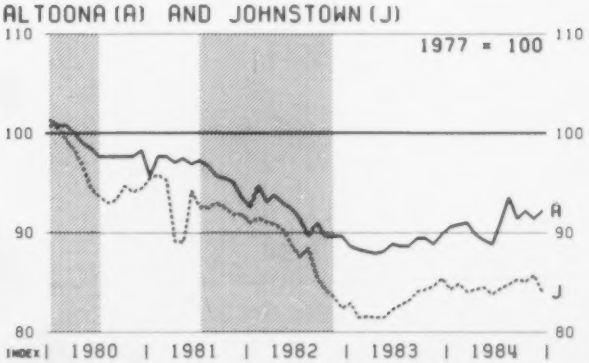
PITTSBURGH (P) AND NORTHEAST (N)



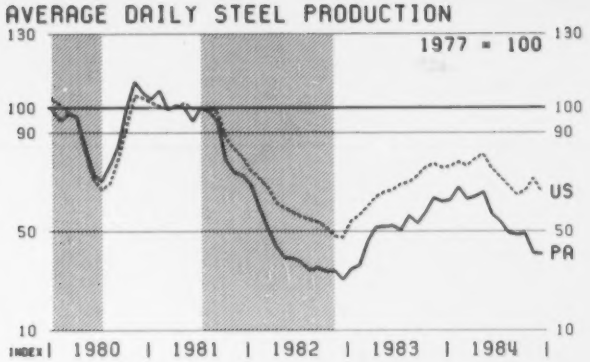
ERIE (E) AND SHARON (S)



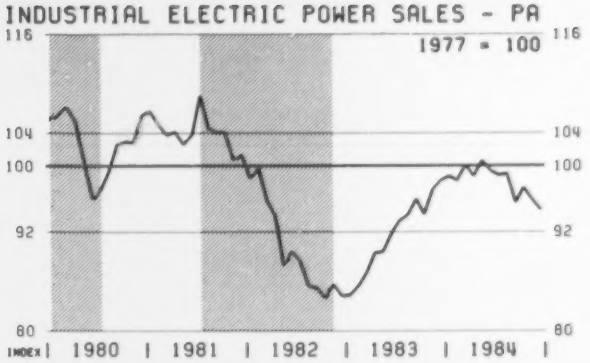
ALTOONA (A) AND JOHNSTOWN (J)



AVERAGE DAILY STEEL PRODUCTION



INDUSTRIAL ELECTRIC POWER SALES - PA



The construction industry also marked substantial gains in the State College area last year. The value of residential building contracts awarded in 1984 was 20 percent above the year earlier figure while nonresidential building awards were 84 percent higher in value than contracts awarded in 1983.

— *Norma I. Gavin*

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